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FSFW's 2020 Tax Return Reveals Deep Links to the Tobacco Industry + Other Findings

Since its beginning in 2017, the [Foundation for a Smoke-Free World \(FSFW\)](#) touted “[independence and transparency](#)” as two of its core principles, despite being wholly funded by tobacco giant [Philip Morris International \(PMI\)](#).

In [2018](#), its mask of “independence” began to slip; the Foundation’s tax return confirmed PMI was still its sole funder, despite FSFW’s claims it would seek funding from other sources. With the Foundation’s [2019](#) tax return, the mask slipped further, revealing its contracts with PR, legal and media organizations linked to the tobacco industry.

Now, the mask is practically off. Its 2020 tax return suggests that, despite its best efforts to hold the mask in place, FSFW’s ties to the industry and its agenda are showing more than ever. Here’s what else it shows.

1. PMI is still FSFW’s sole funder—but cut its 2020 funding by nearly half.

FSFW still receives all its funding from one tobacco company. Yet, in September 2020, [an update to the pledge agreement](#) between the two parties showed FSFW’s funding was slashed from US \$80 million in 2019 to US \$45 million in 2020, as confirmed by the tax return. The document lays out that funding will decrease again in 2021 to US \$40 million and to just US \$35 million by 2022.

2. Despite its rhetoric, only ten low- and middle-income countries received grants.

The Foundation [claims](#) it strives “to identify and address the unique needs of the developing world as they relate to tobacco cessation and harm reduction.” So, why did it award less than US \$2.5 million total, out of its total budget of US \$45 million, to grantees in Argentina, Bangladesh, India, Indonesia, Malawi, Maldives, Pakistan, South Africa, Turkey and Ukraine?

3. Instead, much of FSFW's money went to U.K. and U.S. organizations.

In comparison, 44 grants were given to U.K. and U.S. organizations, and together they received more than US \$30 million. Even some of the grants intended for projects in Malawi went to organizations in high-income countries. For example, US \$1.3 million to establish a Center of Excellence for Agricultural Transformation in Malawi went to Land O'Lakes in Washington, DC.

4. What appears to be public relations spending was sometimes reported as grants or "humanitarian donations."

For example, over US \$677,000 paid to Vida News in the U.S. for the development of a media hub was listed as a grant rather than professional/communications expenditure. And Zodiak Broadcasting Station in Malawi received a "charitable" grant for more than US \$42,000.

5. FSFW spent more than US \$10 million on remuneration, despite its staffing and budget cuts.

This makes up nearly a quarter of FSFW's entire budget and includes employee compensation. The figure is curiously high given that 20 staff members left the Foundation in 2020, including two directors who stepped down.

6. Few academic researchers appear keen to create ties with FSFW.

The Foundation's tax return specifies that it supports work being done by academic institutions, independent research organizations and private sector organizations. Yet relatively few grants went to researchers at academic institutions. This is likely due to institutional policies to reject partnerships with the tobacco industry, or to protect the researchers' credibility. FSFW's crumbling reputation in the field of independent research was highlighted when "[expressions of concern](#)" had to be added to every article of the FSFW-funded [special issue of Drugs and Alcohol Today](#).

7. Significant funds were directed toward planning activities and communications to destabilize the FCTC and interfere in COP9.

The “15 Years of FCTC” conference FSFW paid ACK Consultants to produce [featured \(almost exclusively\) speakers](#) who were FSFW-funded, and who presented FSFW-funded research that was critical of the treaty, in line with the tobacco industry’s interests.

The Foundation also put funds toward influencing the definition of harm reduction to its advantage at the upcoming Conference of the Parties 9 (COP9). PMI [was documented doing](#) this during COP8, [consistent with its corporate affairs strategy](#). FSFW funded four reports discussing COP9 and the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC), and gave grants to the Alternative Research Initiative, the [International Network of Nicotine Consumer Organizations](#) (INNCO) and the Asociación Argentina de Servicios y Estudios Médicos de Avanzada to “garner consensus and support for COP9 to consider harm reduction as integral to tobacco control.” These activities aim to undermine the credibility of WHO and the FCTC, and to divert attention from tobacco control efforts that actually reduce harm.

8. FSFW continued to stream money to [Knowledge-Action-Change \(K-A-C\)](#) and INNCO, both of which have repeatedly expressed their independence from the tobacco industry.

INNCO received multiple grants totaling US \$458,000, and K-A-C was given nearly US \$1 million in 2020. INNCO, which was set up [with help from K-A-C](#), has said in the past that it “...has nothing to do with PMI,” yet [an analysis](#) of Twitter activity around COP8 from INNCO and other advocates of new tobacco and nicotine products “...with links to organizations funded directly and indirectly by PMI ... suggests a strategic approach by PMI to influence COP8 debates.”

9. A high number of grantees in the Health, Science and Technology “pillar” suggests efforts to perpetuate addiction.

Relative to its seven grantees in the Agricultural Transformation “pillar,” 47 grantees received funds in the Health, Science and Technology “pillar.” According to its website, this “pillar” includes a strong emphasis on switching smokers to “[tobacco harm reduction products](#)”—from which tobacco companies profit.

10. FSFW hired Ernst & Young as its auditor again, despite potential conflicts of interest.

[Ernst & Young](#) prepared FSFW's 2020 tax return, yet in the same year, also received two FSFW grants totaling more than US \$1.1 million to “synthesize and formulate lessons learned from countries with ANDS [Alternative Nicotine Delivery Systems] availability which have seen drastic drops in number of smokers” and for the “identification of observable smoker characteristics that are linked to cessation success.” Ernst & Young’s founding companies worked with the tobacco industry [as far back as the 1930s](#), and the company continues today with its work for [British American Tobacco](#) and [Imperial Brands](#).

Conclusion

On the basis of this tax return, it appears that FSFW is still closely aligned with the tobacco industry, adding further evidence why institutions, researchers and policymakers should reject partnerships and funding from the Foundation.



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About STOP (Stopping Tobacco Organizations and Products)

STOP is a global tobacco industry watchdog whose mission is to expose the tobacco industry strategies and tactics that undermine public health. STOP is funded by Bloomberg Philanthropies and comprised of a partnership between the Tobacco Control Research Group (TCRG) at the [University of Bath](#), [The Global Center for Good Governance in Tobacco Control \(GGTC\)](#), the [International Union Against Tuberculosis and Lung Disease \(The Union\)](#) and [Vital Strategies](#). For more information, visit [exposetobacco.org](https://www.exposetobacco.org).





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